

Date: March 9, 2015

To: The Honorable Mayor and City Council

From: Tanya Wilson-Sejour, AICP, Planning Manager, Community Planning & Development

Re: Proposed Green Business Rehabilitation Grant

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, APPROVING THE ALLOCATION OF FIFTY THOUSAND DOLLARS (\$50,000.00) FROM THE FISCAL YEAR 2014-2015 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) TO FUND THE GREEN BUSINESS REHABILITATION GRANT PROGRAM FOR SMALL BUSINESSES, IN SUPPORT OF THE CITY'S COMMITMENT TO GREEN ECONOMIC DEVELOPMENT AND CLIMATE-CHANGE INITIATIVES; AND FURTHER APPROVING THE GREEN BUSINESS REHABILITATION GRANT PROGRAM GUIDELINES, IN SUBSTANTIALLY THE ATTACHED FORM; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.

RECOMMENDATION

Staff is recommending approval of the allocation of Fifty Thousand Dollars (\$ 50,000.00) from the Fiscal Year 2014-15 Community Development Block Grant (CDBG) fund and approval of the Green Business Rehabilitation Grant Program Guidelines in order to promote and foster sustainable business practices throughout the City, consistent with the intent of the Comprehensive Plan.

BACKGROUND INFORMATION

Section 9 (Economic Development Element) of the City of North Miami Comprehensive Plan, requires that the City "strive to create an economic environment that will enhance the economic prosperity of local businesses and attract new business while improving the quality of life for its citizens." Furthermore, Objective 1.10 of the City's Comprehensive Plan, states that North Miami shall "encourage sustainable development throughout the City and implement green building requirements for development and redevelopment projects to reduce energy usage, landfill waste and emissions, create healthy indoor environment, conserve building materials and resources, and promote efficiency." As such, in an effort to implement the Comprehensive Plan vision to facilitate and encourage more sustainable development, City Administration has developed the proposed *Green Business Rehabilitation Grant Program* to assist small businesses to "green" their operations.

The program focuses on sustainability with respect to reducing green house gas emissions, promoting climate change awareness, reducing energy cost, and creating new employment opportunities through business retention and expansion.

The program is intended to **serve as a pilot project to increase economic** opportunity by promoting energy conservation, and reduction of long term operating costs by retrofitting buildings owned or occupied by small businesses.

OVERVIEW OF THE PROGRAM

More specifically, the City will provide a matching grant of up to Five Thousand Dollars (\$5,000.00) to help small businesses “green” their operations. A match of 50% is required for a total not to exceed of \$10,000 for the project retrofit. Each business will be required to perform an energy audit and based on the results of the audit each applicant may apply for funding to retrofit or repair any of the following eligible items:

1. Lighting fixtures
2. Insulation options
3. Draft/light sealants for windows and doors to conserve energy
4. Automatic timed devices
5. Install energy efficient appliances per energy audit
6. Provide Solar energy fixtures

PROGRAM FUNDING SOURCE

As a precursor to the proposed initiative, on July 8, 2014, the Vice Mayor and City Council passed and adopted the City’s Fiscal Year 2014-2015 Action Plan as required by the U.S. Housing and Urban Development federal requirements. Included in said Action Plan is a set aside of \$50,000 in program funds towards Economic Development initiatives. Given the City’s commitment to combating climate change and promoting sustainable development. City Administration is requesting those funds be utilized to finance the Green Business Rehabilitation Grant Program.

CONCLUSION

With the Earth's average temperature rising by 1.4°F over the past century, and projected to rise another 2 to 11.5°F over the next hundred years, continued changes in the average temperature of the planet can translate to large and potentially dangerous shifts in climate and weather. Given the foregoing, Climate Change has been described as one of the biggest global threats to our planet in the 21 Century. As a coastal community North Miami is certainly not immune to the effects of climate change and sea level rise. As such, the proposed initiative seeks to leverage federal funds in an effort to promote sustainable development and foster an environment for small business growth and expansion.

Staff recognizes the importance of maintaining sustainability by allowing business to increase efficiency without sacrificing performance. Staff believes the proposed guidelines will serve as a pilot project to encourage current and future businesses to be more

environmentally responsible, operate more efficiently and reduce their operating cost. Furthermore, staff believes the proposed grant is in keeping with the goals, policies and objectives of the City's Comprehensive Plan and would be beneficial to the health, welfare and prosperity of the City. Therefore, staff requests that the City Council approve the proposed grant program guidelines and allocate the requested funding from the City's CDBG program funds.

Attachments:

1. Resolution
2. Proposed Green Business Rehabilitation Grant Guidelines

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, APPROVING THE ALLOCATION OF FIFTY THOUSAND DOLLARS (\$50,000.00) FROM THE FISCAL YEAR 2014-2015 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) TO FUND THE GREEN BUSINESS REHABILITATION GRANT PROGRAM FOR SMALL BUSINESSES, IN SUPPORT OF THE CITY'S COMMITMENT TO GREEN ECONOMIC DEVELOPMENT AND CLIMATE-CHANGE INITIATIVES; AND FURTHER APPROVING THE GREEN BUSINESS REHABILITATION GRANT PROGRAM GUIDELINES, IN SUBSTANTIALLY THE ATTACHED FORM; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.

WHEREAS, Section 9 of the City of North Miami ("City") Comprehensive Plan ("Comprehensive Plan"), requires that the City shall strive to create an economic environment that will enhance the economic prosperity of local businesses and attract new business, while improving the quality of life for its citizens; and

WHEREAS, consistent with the spirit of the Comprehensive Plan, the City is charged with the responsibility of preparing and adopting policies to provide assistance and incentives for existing business owners to continue operating in the City; and

WHEREAS, on July 8, 2014, the Vice Mayor and City Council passed and adopted the City's Fiscal Year 2014-2015 Action Plan, pursuant to Title 24, Part 91, Consolidated Submissions for Community Planning and Development Programs, Code of Federal Regulations, which outlined expenditures under the Community Development Block Grant (CDBG), including an allocation of Fifty Thousand Dollars (\$50,000.00) for Economic Development; and

WHEREAS, the City is desirous of implementing a Green Business Rehabilitation Grant Program ("Green Program") to provide a matching grant of up to Five Thousand Dollars (\$5,000.00) to help small businesses "green" their operations with the intent of reducing overhead energy costs, greenhouse emissions, and promoting climate-change awareness; and

WHEREAS, the Green Program will allow businesses to retrofit their operations with sustainable elements that will reduce energy costs and long-term operating expenses through a reduction of their monthly utility bills; and

WHEREAS, the Mayor and City Council find the attached Green Program funded by CDBG, is in the best interest of the City since it will advance the economic development initiatives of the City and business community alike, consistent with the intent of the Comprehensive Plan.

NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:

Section 1. Creation of a Green Business Rehabilitation Grant Program. The Mayor and City Council of the City of North Miami, Florida hereby approve the allocation of Fifty Thousand Dollars (\$50,000.00) from the Fiscal Year 2014-2015 Community Development Block Grant (CDBG) to fund the Green Business Rehabilitation Grant Program for small businesses, in support of the City's commitment to green economic development and climate-change initiatives.

Section 2. Approval of Green Business Rehabilitation Program Guidelines. The Mayor and City Council of the City of North Miami, Florida, hereby approve the Green Business Rehabilitation Grant Program guidelines, in substantially the attached form.

Section 3. Effective Date. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by a _____ vote of the Mayor and City Council of the City of North Miami, Florida, this 10th day of March, 2015.

DR. SMITH JOSEPH
MAYOR

ATTEST:

MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

REGINE M. MONESTIME
CITY ATTORNEY

SPONSORED BY: MAYOR SMITH JOSEPH, D.O., PHARM.D.

Moved by: _____

Seconded by: _____

Vote:

Mayor Smith Joseph, D.O., Pharm.D.
Vice Mayor Carol Keys, Esq.
Councilman Scott Galvin
Councilman Philippe Bien-Aime
Councilwoman Marie Erlande Steril, MSW

_____	(Yes)	_____	(No)
_____	(Yes)	_____	(No)
_____	(Yes)	_____	(No)
_____	(Yes)	_____	(No)
_____	(Yes)	_____	(No)

GREEN BUSINESS REHABILITATION GRANT GUIDELINES

General Information on Community Development Block Grant (CDBG)

Economic development encompasses the process, policies, and activities by which a community improves the long-term economic and social well-being of its people. The objective of economic development is a sustainable increase in living standards, including per capita income, education, health, and environmental protection. Economic development strategies offer government, the private and not-for-profit sectors, and local communities the opportunity to work together to improve the local economy. CDBG gives communities the flexibility to select the strategies in which it will support economic development. Additionally, it allows businesses to increase efficiency without sacrificing performance.

Special Economic Development with CDBG

The City of North Miami through the Green Enterprise Grant will implement a special economic development activity **citywide** to rehabilitate commercial or industrial property that can be identified as a “small business”. The major goals for this program are to help current and future businesses “green” their operations by focusing on sustainability with respect to reducing green house gas emissions, promoting climate change awareness, reducing energy cost, and creating new employment opportunities through business expansion.

The rehabilitation scope will be focused on green retrofit options that are sustainable. The intent and primary purpose of this program is to **create economic** opportunity by promoting energy conservation, reduction of greenhouse gases and reduces long term operating costs that encourage sustainability by retrofitting buildings. Implementing this new economic development program will help current and future businesses to “green” their operations and identify a rate of return on their retrofit investments.

By implementing the “green” criteria, businesses will be engaged in “Green Building Retrofit” measures such as water conservation, energy conservation, greenhouse gas reduction, and reducing long term operating costs that encourage sustainability by buying green or recycled products. Business owners will realize significant saving over time. Our goals for this program are to reduce green house gas emission, promote climate change awareness, reduce energy cost and **create new**

employment opportunities through business expansion. The following eligible items may be considered, based on the results of the energy audit, for “green” retrofit are including but not limited to:

1. Lighting fixtures
2. Insulation options
3. Draft/light sealants for windows and doors to conserve energy
4. Automatic timed devices
5. Install energy efficient appliances per energy audit
6. Provide options for Solar energy such as fixtures (on a small scale)

The Process

The following identifies the steps in the application process:

1. The city will develop a baseline GIS database of businesses through identification of the worst and best energy consumers by gathering data from any available source and the City’s Utility Department.
2. The city will make continuous efforts for public outreach.
3. All information will be placed on the Community Planning and Development website and related websites.
4. Grant application checklist:
 - a. Grant application
 - b. Proof of ownership or authorization to make renovations
 - c. Occupational License or Business Tax receipt
 - d. Proof of Insurance
 - e. Checklist to determine eligibility
 - f. Energy Audit completion- coordination with FPL (free)
 - g. Agreement to obtain Green Business Certification (application is free)
 - h. Source of Match/Verification of Match Funds
 - i. Verification of the number of employees (i.e. payroll sheets)

5. Once the applications are received, it will go through the following review process:
 - a. CP&D staff review to include (a) prioritizing retrofit needs (b) analyze rate of return based on the data obtained from quarterly billing statement.
 - b. Application deemed complete
 - c. Site inspection by LEED and Building staff (inspector deem if permits are needed)
 - d. Execution of grant agreement
 - e. Building permit process (where applicable)
 - f. Follow-up meeting and Notice to Proceed by CP&D staff
 - g. Site Inspection (for process)
 - h. Grant monitoring by CDBG-Meeting National Objective

Funding Sources

Implementation of the Green Business Enterprise Grant Program will be funded by the U.S. Department of Housing and Urban Development. The grant will be administered through the Community Development Block Grant (CDBG) Program. Other funding sources will be identified through ongoing grant opportunities.

Program Limits & Requirements

Funding Limit: The City has allocated \$50,000 to the Green Business Enterprise Grant Program. Subsequently, the maximum amount allocated to each business will be up to \$5,000. A match of 50% is required for a total of \$10,000 for the project retrofit.

Requirements & Scope: Participants in the City of North Miami's Green Enterprise Grant Program shall comply with those provisions of the local adopted codes. For the purposes of this CDBG program, small businesses will be identified through the criteria established by Miami Dade County:

1. Cannot have more than seven (7) employees
2. Must not be part of a national chain or franchise.

Business can be non-profit or for-profit and must have been in business for at least 2 years (proof include old license, incorporations, sales tax, income tax and utility bill). Although not a requirement, business development or capacity building courses/seminars are strongly encouraged.

Compliance, Necessity and Feasibility of Repairs

Contractors or other participants shall ensure that the provisions of the Green Enterprise Grant Program are applied to each facility that is rehabilitated with financial assistance provided in whole or in part from the CDBG funds.

The Green Enterprise Grant Program is not intended to address every item that may be in need of rehabilitation within the structure. Notwithstanding the requirements of the Green Enterprise Grant Program, rehabilitation funding will be made on the basis of a determination of the necessity and feasibility of the proposed rehabilitation in accordance with the guidelines.

CDBG Regulation Enforcement and Payment Structure

Enforcement of the Green Enterprise Grant Program shall be carried out by means of progress inspections by CP&D staff and agreements between the City and the owner. The owner has the sole responsibility for construction services. All parties receiving CDBG funds for rehabilitation activities must comply with CDBG regulations. These obligations shall be expressed in the subsidy agreement between the owner and the City of North Miami. Payment is issued on a reimbursable basis and is subject to inspection and program compliance documentation.